



City of Austin

City Council

Austin City Council

Minutes

For

SPECIAL CALLED MEETING
NOVEMBER 13, 1980
9:00 A.M.

Council Chambers, 301 West Second Street, Austin, Texas

Carole Keeton McClellan
Mayor

Council Members
Lee Cooke
Richard Goodman
Betty Himmelblau
Ron Mullen
John Treviño, Jr.

Dan H. Davidson
City Manager

Grace Monroe
City Clerk

Memorandum To:

Mayor McClellan called the meeting to order, noting that Councilmen Cooke and Goodman were absent.

Mayor McClellan stated that this was a Special Called Meeting for the purpose of hearing tax appeals. The Council then heard the following tax appeals:

Ownership and Description	Property	1979 Appraised Value 100%	1980 Appraised Value 100%	Disposition by Board	Disposition by City Council
John McPhaul	Land	\$0.00	\$4,000	\$4,000	\$2,395
2103 Lear Lane	Imps.	0.00	-0-	-0-	-0-
Lt. 25 B1 A					
Southwest Oaks PH II	Total	\$0.00	\$4,000	\$4,000	\$2,395
ID #4-1919-0138					

Mr. Jack Klitgaard, Tax Assessor-Collector, stated that the appeal was on one lot, but it covered an entire subdivision consisting of 189 lots. The same valuation applied to each lot, and if the Council changed the valuation, it would apply to the entire subdivision.

Mr. Klitgaard stated that the Board of Equalization had sustained the valuation placed on the property by the Tax Department. Determining the valuation of an uncompleted subdivision was a judgment call, but Mr. Klitgaard submitted that cost of development was not the main criterion of tax value.

Mr. John McPhaul appeared before the Council to protest the valuation and method of calculation of the values on the subject property. He stated that on January 1, 1979, the City appraised the property at \$199,020. He bought the property on April 5, 1979 for \$358,987.15 and on January 1, 1980 had a total of \$435,171.47 invested in the property. He asked the City Council to value the property at \$1,984/lot for a total valuation of \$375,000.

TAX APPEALS - (Continued)

Mr. Jack Klitgaard stated that Mr. McPhaul's property had been treated the same as other subdivisions in the process of being developed on the assessment date. He did not think that owner's cost was a criterion to be considered in valuing property based on what it would market for if exposed to the market on the assessment date. Any effort expended to make the property more valuable contributed to its market value.

Motion

Councilman Mullen moved the Council assess the property at \$2,645 per lot for a total valuation of \$500,000. Councilwoman Himmelblau seconded the motion.

After a brief discussion, Councilman Mullen withdrew his motion.

Motion

Councilman Snell moved the Council assess the property at \$2,302 per lot for a total valuation of \$435,078. The motion, seconded by Mayor McClellan, FAILED to carry by a 3-2 Vote, Councilman Mullen and Councilwoman Himmelblau voting No.

Motion

Councilman Mullen moved the Council assess the property at \$2,500 per lot for a total valuation pf \$472,000. The motion, seconded by Councilwoman Himmelblau, FAILED to carry by a 2-3 Vote, Mayor McClellan, Councilman Snell and Mayor Pro Tem Trevino voting No.

Motion

Councilman Mullen moved the Council assess the property at \$2,400 per lot. After a brief discussion, Councilman Mullen amended his motion to assess the property at \$2,395 per lot for a total valuation of \$452,655. The motion, seconded by Councilman Snell, carried by a 5-0 Vote.

Ownership and Description	Property	1979 Appraised Value 100%	1980 Appraised Value 100%	Disposition by Board	Disposition by City Council
Balcones Associates, Ltd.	Land Imps.	\$ 552,123 <u>1,166,614</u>	\$ 355,233 <u>2,582,537</u>	\$ 355,233 <u>2,472,965</u>	\$ 355,233 <u>2,180,577</u>
By: Jim Moritz 3301 Northland Dr. ID #1-3002-0606	Total	\$1,718,737	\$2,937,770	\$2,828,198	\$2,535,810

TAX APPEALS - (Continued)

Ownership and Description		1979 Appraised Value 100%	1980 Appraised Value 100%	Disposition by Board	Disposition by City Council
Balcones Associates, Ltd. By: Jim Moritz	Land	\$ 96,704	\$524,681	\$524,681	\$524,681
	Imps.	<u>18,116</u>	<u>24,048</u>	<u>17,635</u>	<u>-0-</u>
MoPac Expressway Lt 4-B Balcones Asso- ciates, Ltd. Addition	Total	\$114,820	\$548,729	\$542,316	\$524,681

Mr. Klitgaard stated that the appeal was on two buildings, and was based on the owner's cost of construction. The buildings had been put into a classification system comparable to similar office buildings throughout the taxing district. The purpose of using the classification system was to achieve some degree of equalization. He did not think that cost was the only criterion to be considered.

With regard to the second property, Mr. Klitgaard said that in his opinion the old house on the property contributed nothing to the value of the property. The Department had no objection to any adjustment the City Council might make relative to the improvements. He recommended removing the improvement value.

Mr. Jim Moritz said that in his appeal to the Board of Equalization he did not base the cost of the buildings on what they cost at the time of construction. Cost was based on a contract for the new building under construction. He distributed to the Council figures which he had presented to the Board of Equalization regarding the valuation of three Balcones Associates, Ltd. buildings. (see following page). Mr. Moritz stated that the total difference between Board of Equalization figures and Balcones Associates, Ltd. was \$418,491.76. The Board of Equalization adjustment was for \$34,845.00.

Mr. Klitgaard closed by stating that their cost was not the only elements of value which should be considered in the valuation.

In summation, Mr. Moritz said that the City's records showed replacement value new as \$1,736,954, while the figures he had presented to Council represented what he felt were the correct figures.

Motion

The Council, on Councilman Mullen's motion, Mayor McClellan's second, placed the valuation on the properties at \$418,491.76 below the valuation of the Tax Department. (5-0 Vote, Councilmen Cooke and Goodman absent)

TAX APPEALS - (Continued)

BOARD OF EQUALIZATION

BALCONES ASSOCIATES, LTD.

Republic Bank Building

Replacement	\$1,736,954.00	Contract	\$1,501,038.70
	x.92		
	\$1,597,998.00	Our Cost	\$1,443,722.40
			x.92
DIFFERENCE:	\$269,773.39		\$1,328,224.61

USLife Title Building

Replacement	\$1,004,632.00	Contract	\$905,768.00
	x.98		
	\$ 984,539.36	Our Cost	\$872,468.00
			x.98
DIFFERENCE:	\$129,520.72		\$855,018.64

Balcones Building III

Contract	\$1,671,631.59
	(\$27.76/sq. ft.)
Our Cost	- 64,226.00
	\$1,607,405.59
	(\$26.70/sq. ft.)

Residence, 5307 Balcones

Appraised Value:	\$24,048.00	Sold March, 1980 @	\$3,850.00
DIFFERENCE:	\$20,198.00		

TOTAL DIFFERENCE BETWEEN BOARD OF EQUALIZATION
AND BALCONES ASSOCIATES, LTD.

Republic Bank Building:	\$269,773.39
USLife Title Building:	129,520.36
5307 Balcones:	<u>20,198.00</u>
TOTAL DIFFERENCE-----	\$418,491.76

BOARD OF EQUALIZATION ADJUSTMENT: \$34,845.00

TAX APPEALS - (Continued)

Ownership and Description	Property	1979 Appraised Value 100%	1980 Appraised Value 100%	Disposition by Board	Disposition by City Council
Willis R. Bodine	Land	\$11,366	\$18,944	\$18,944	\$18,944
3809 Duval Street Imps.		<u>13,914</u>	<u>50,134</u>	<u>49,796</u>	<u>44,263</u>
ID #2-1806-0705					
	Total	\$25,280	\$69,078	\$68,740	\$63,207

Mr. Klitgaard stated that in 1980 the same factors that were incorporated into depreciation tables for single-family dwellings were changed to be applicable to duplexes, resulting in a significant increase in the property. It was felt that the property had been treated no differently than comparable property elsewhere and certainly no differently than other duplexes in the community.

Mr. Willis R. Bodine stated that the house was 55 years old, but was rated as 90% as good as new. There had been a 170% increase in overall valuation from 1979 to 1980. Improvements had increased from \$13,914 in 1979 to \$50,134 in 1980. The increase wiped out the over 65 exemption. He asked that the valuation be held to 41% good instead of 90% good.

Mr. Klitgaard reiterated that the value of the property was measured in the marketplace. People were willing to pay almost as much for an older house as a new one. He did not feel that it was fair to have the older houses on the tax rolls at lower rates.

Mr. Bodine replied that in regard to an older house, market value meant nothing to people who used one as a home.

In response to Mayor McClellan's question, Mr. Klitgaard stated that if the property were valued at 40% good, then there would be a difference of \$27,650 on the improvements as opposed to a 90% good valuation.

Motion

Councilwoman Himmelblau moved the Council uphold the Board of Equalization. The motion, seconded by Councilman Snell, FAILED to carry by a 3-2 Vote, Mayor McClellan and Councilman Mullen voting No.

Later in the meeting Councilwoman Himmelblau moved the Council reduce the valuation by \$5,000. Mayor Pro Tem Trevino seconded the motion. At the recommendation of Mr. Klitgaard Councilwoman Himmelblau amended her motion and Mayor Pro Tem Trevino amended his second to reduce the valuation by 10% (\$5,533). The motion carried by a 4-1 vote, Mayor McClellan voting No.

TAX APPEALS - (Continued)

Ownership and Description	Property	1979 Appraised Value 100%	1980 Appraised Value 100%	Disposition by Board	Disposition by Board
Hays Haffelder 7103 Guadalupe St ID #2-3111-0130	Land	\$ 6,343	\$10,733	\$10,733	\$10,733
	Imps.	<u>24,397</u>	<u>35,477</u>	<u>35,477</u>	<u>31,304</u>
	Total	\$30,740	\$46,210	\$46,210	\$42,037

Mr. Klitgaard presented details of the appraisal. The property had been updated in value using the new unit schedules applied to the classification of this property in the same manner applied uniformly throughout the City. He believed that the value placed on the property was a reasonable reflection of what the property would market for. The house was graded at a G-grade at 85% good.

Mr. Hays Haffelder stated that he could not find any other property within the City which was comparable in a comparable neighborhood. The primary value of the property was in land value. Houses in the area were being torn down and apartments built in their place. Mr. Haffelder felt that the valuation on the house was too high.

Mr. Klitgaard stated that it was difficult to find comparables in the area. There were only three houses left on the street where Mr. Haffelder's property was located, and the land probably was underused. He had no problem if the Council felt that the grading factor was too high.

Motion

The Council, on Councilman Snell's motion, Mayor Pro Tem Trevino's second, reduced the grading factor on the property to "A", making the valuation on the house \$31,304. (4-0 Vote)

TAX APPEAL HEARING RESET

The Council reset the following tax appeal hearing for December 4, 1980 at 3:00 p.m.

Ownership and Description	Property	1979 Appraised Value 100%	1980 Appraised Value 100%	Disposition by Board	Disposition by City Council
Robert F. Hughes 801 Floradale Dr. ID #9-2-4122-0401	Land	\$ 3,627	\$ 5,802	\$ 5,802	
	Imps.	<u>41,918</u>	<u>64,434</u>	<u>64,434</u>	
	Total	45,545	70,236	70,236	

TAX APPEALS - (Continued)

Ownership and Description	Property	1979 Appraised Value 100%	1980 Appraised Value 100%	Disposition by Board	Disposition by City Council
Robert Carr	Land	\$133,106	\$221,843	\$208,532	\$199,658
9100 Burnet Road	Imps.	-0-	-0-	-0-	-0-
ID #2-4507-0611	Total	\$133,106	\$221,843	\$208,532	\$199,658

Mr. Klitgaard introduced Mr. Weldon Nabors, Supervisor of Land Appraisal, who presented details of the appraisal. Mr. Nabors recommended that valuation of the property be reduced by 10¢ a square foot to \$2.25 a square foot so that it would be comparable to other property in the area.

Motion

The Council, on Councilman Mullen's motion, Mayor McClellan's second, reduced the valuation on the property to \$2.25 a square foot for a valuation of \$199,658. (4-0 Vote, Councilmen Cooke and Goodman absent, Councilman Snell out of the room at Roll Call)

L. G. Schroeder	Land	\$ 6,140	\$12,340	\$12,340	\$12,340
706 Texas Avenue	Imps.	22,526	32,980	32,980	25,220
ID #2-1607-0411	Total	\$28,666	\$45,320	\$46,320	\$37,560

Mr. Klitgaard presented details of the appraisal and stated that he did not believe that there was any reason why the property would not easily market for the value placed on it by the Tax Department.

Mr. L. G. Schroeder felt that the increased valuation was excessive and asked the Council to limit it to no more than 25%.

Mr. Klitgaard responded that he understood the plight of people on a fixed income, but was obligated to follow the statutes relative to administration of the ad valorem tax. He was also obligated to follow the market in determining the valuation of Mr. Schroeder's property. There had been a great deal of market activity in the area. Valuation on the house had been lowered to a G-factor, which made it 85% good.

In response to Councilwoman Himmelblau's question, Mr. Klitgaard stated that a 10% to 20% reduction could be taken for the condition of the house, based on a replacement value of \$38,800.

Motion

The Council, on Councilwoman Himmelblau's motion, Mayor McClellan's second, reduced the valuation on the house by 20% (\$7,760) for a valuation of \$25,220. (4-1 Vote, Councilman Mullen voting No and Councilmen Cooke and Goodman absent)

TAX APPEALS - (Continued)

Ownership and Description	Property	1979 Appraised Value 100%	1980 Appraised Value 100%	Disposition by Board	Disposition by City Council
Merle L. Moden	Land	\$ 4,579	\$ 4,579	\$ 4,579	\$ 4,579
6506 Bridgewater Cove	Imps.	<u>31,022</u>	<u>40,647</u>	<u>40,647</u>	<u>40,647</u>
ID #2-2027-0330	Total	<u>\$35,601</u>	<u>\$45,226</u>	<u>\$45,226</u>	<u>\$45,226</u>

Mr. Klitgaard explained the ratio study conducted by the Tax Department on about 3,000 properties in the District and said that there was a limit to the accuracy of such studies. He felt that the 4% deviation for Mr. Moden's area was about as accurate as one could get. He believed that the value placed on Mr. Moden's property was a reasonable representation of what the property could sell for and was not greatly out of line with property generally in the community.

Mr. Moden commented on the ratio studies and stated that there was no justification for taxing someone more because they owned a newer home rather than an older one.

Motion

The Council, on Councilman Mullen's motion, Councilman Snell's second, upheld the Board of Equalization. (5-0 Vote, Councilmen Cooke and Goodman absent)

Dinner Theatres	Land	\$ 35,000	\$ 40,000	No appeal	\$ 40,000
A Texas Corporation	Imps.	<u>480,853</u>	<u>313,280</u>		<u>253,796</u>
Owned by John A. Bird, et al	Total	\$515,853	\$353,280		\$293,796

By: Phillip C. Joseph
 12173 FM Road 1325
 ID #9-2-6212-0609

Mr. Klitgaard stated that the appeal was based on the argument that the appraised value in 1980 of \$353,280 plus the personal property assessment still exceeded the purchase price of \$355,000. Mr. Klitgaard felt that all possible adjustments had been made which could be sustained in the real estate.

Mr. John Bird, owner of the property, stated that the original assessment sent out before he bought the property was land valuation of \$40,000; building \$465,000; fixtures \$10,000 and liquor inventory of \$15,000. Since he had paid \$355,000 for the property, he thought that the valuation was excessive. The Tax Department had revalued the property at \$458,000, which still exceeded the purchase price by over \$100,000. He felt that at most the valuation should be his purchase price of 2 1/2 months ago of \$355,000.

TAX APPEALS - (Continued)

Mr. Klitgaard responded that the sale of the property took place in mid-year and that it was hard to tell what personal property had been disposed of since the first of the year. No confidential personal property return had been filed by the previous owner. He questioned the \$145,000 figure offered for personal property and felt that valuing the building at \$170,000 or about \$13/square foot was too low.

After further consultation between Mr. Klitgaard and Mr. Bird regarding the valuation, the following motion was offered:

Motion

The Council, on Councilman Mullen's motion, Mayor McClellan's second, set the valuation on the property at \$293,796. (4-0 Vote, Councilmen Cooke and Goodman absent, Councilman Snell out of the room at Roll Call)

RECESSED MEETING

The Council recessed its meeting at 11:40 a.m. and resumed its meeting at 1:00 p.m., with Councilmen Cooke and Snell absent.

The Council then heard the following tax appeals:

Ownership and Description		1979 Appraised Value 100%	1980 Appraised Value 100%	Disposition by Board	Disposition by City Council
C. L. Reeves 206 E. St. Johns Ave. ID #2-3114-0809	Land	\$17,940	\$23,920	No Appeal	\$23,920
	Imps.	47,642	65,987		
	Total	\$65,582	\$89,907		
C. L. Reeves 6.83 Acres on Burnet Road James P. Wallace Survey ID #2-4901-0130	Land	\$136,600	\$223,136	No Appeal	
	Imps.	-0-	-0-		
	Total	\$136,600	\$223,136		
C. L. Reeves .14 acre US Hwy 183 N ID #2-5002-0102	Land	\$ 6,098	\$ 10,672	No Appeal	
	Imps.	-0-	-0-		
	Total	\$ 6,098	\$ 10,672		
Parker Heights, Inc. By: C. L. Reeves 2209 E. Riverside Dr. ID #3-0407-0806	Land	\$167,463	\$191,386	No Appeal	\$191,386
	Imps.	-0-	-0-		
	Total	\$167,463	\$191,386		

TAX APPEALS - (Continued)

Ownership and Description	Property	1979 Appraised Value 100%	1980 Appraised Value 100%	Disposition by Board	Disposition by City Council
Parker Heights, Inc. By: C.L. Reeves Burton Drive Lt 2 Burton Terrace Sec 1-A	Land Imps. Total	\$44,145 -0- <u>\$44,145</u>	\$56,408 -0- <u>\$56,408</u>	No Appeal	\$35,000 -0- <u>\$35,000</u>
Parker Heights, Inc. By: C. L. Reeves E. Riverside Drive 5.42 acres of Lt 1 Burton Terrace Sec 1-A	Land Imps. Total	\$ -0- <u>\$ -0-</u>	\$354,284 -0- <u>\$354,284</u>	No Appeal	\$141,872 -0- <u>\$141,872</u>
Parker Heights, Inc. By: C. L. Reeves Burton Drive Lt 3 Resub of Lt 3 & Lt B Burton Terrace Section 2 ID #3-0506-0369	Land Imps. Total	\$40,545 -0- <u>\$40,545</u>	\$50,681 -0- <u>\$50,681</u>	No Appeal	\$ 50,681 -0- <u>\$ 45,613</u>
Parker Heights, Inc. By: C. L. Reeves Burton Drive Lt 2 Resub of Lt 3 & Lt B Burton Terrace Section 2 ID #3-0506-0371	Land Imps. Total	\$96,802 -0- <u>\$96,802</u>	\$121,002 -0- <u>\$121,002</u>	No Appeal	\$108,902 -0- <u>\$108,902</u>
Parker Heights, Inc. By: C. L. Reeves 1925 E. Oltorf St. ID #3-0705-0812	Land Imps. Total	\$21,642 -0- <u>\$21,642</u>	\$86,568 -0- <u>\$86,568</u>	No Appeal	\$ 77,911 -0- <u>\$ 77,911</u>

Mr. C. L. Reeves first read the following statement for the record:

Dear City Council:

I regret having to have this appeal that should have been handled by the Board of Equalization rather than the City Council taking up their valuable time; however, so that there may be no misunderstanding or misinformation, the reason that it was referred to the City Council rather than the Board of Equalization handling the appeals was because I was told by Mr. Dusty Thames over the telephone that my appointment was for 10 A.M. on August 26, 1980, to appeal

TAX APPEALS - (Continued)

some sixty-one (61) pieces of property evaluations. At this particular time, Mr. Rogan Giles, my attorney, was also informed of the appointment being at 10 o'clock on the 26th day of August by Mr. Thames. Upon learning of the time and date of the appointment, Mr. Giles informed me that he would be unavailable on that day and that because it was the last day of the Board of Equalization's meetings, it was not possible to be put off where he could attend. Therefore, I was forced to contact another attorney, Mr. James R. Sloan, who went to the tax office and talked to Mr. Dusty Thames and was given the same time, 10 A.M., on the 26th day of August as the appointment time. He also had a conflict and asked if it were possible to be put off and was given the same answer that Mr. Giles was; therefore, I was left to handle the appeals on my own, which I proceeded to prepare for. On August 26 myself and Mr. S. R. Sheppard, a long-time broker and resident of Austin, appeared at 10 o'clock A.M. for the hearing and were informed that the hearing had been held at 9 A.M. Mr. Dusty Thames was not present; however, Mr. Klitgaard and at least two other tax people were. At the time, the Board was recessing and scheduled to re-convene shortly after 10 o'clock. We waited and talked to the Chairman of the Board to see if it were possible to have the hearing later in the day or at another time. I think the gentleman's name was "Wood." Mr. Wood was very abrupt, almost to the point of rudeness in stating to me that I should have been there at 9 o'clock and upon my insistence that we had been notified that the hearing was at 10 A.M., he emphasized that that was no excuse inasmuch as the notice had been posted outside the door of the Board of Equalization preceding the meeting. He refused to hear our appeal and informed me that the only other avenue that I had was to have the City Council to hear the appeal.

Attached you will find an affidavit from each of the attorneys along with my statement in this letter that the appointment was given to each of us by Mr. Dusty Thames as 10 o'clock on August 26, 1980.

I do not think that we were given the wrong appointment intentionally. I think it was simply an honest mistake on Mr. Thames' part. I do not believe he or any of the tax people have any unethical intent or malice of any kind; however, the events as I have outlined in this letter are the true events as they happened and the reason we are before the council now.

Along with this letter, you have several exhibits keyed numerically to each explanation along with a map that is also key numbered so that you might be able to more easily understand my position on each of the properties. As you can see, it is quite a lot of information even though I have eliminated all of the sixty-one (61) cases except for fifteen (15). Again, I regret having to take the Council's time in this matter but because of the events outlined above I was left no other recourse other than the courts and that, of course, is the last resort.

TAX APPEALS - (Continued)

It is my understanding that the law requires the tax assessor to administer fair and equal taxation to all of the citizens and further it is my understanding that in order to do this that the law requires the tax assessor to work with appraised values. It is also my understanding that the responsibility to be accurate in his appraisal of the properties would dictate using proven and accepted appraisal techniques and procedures and that the value for taxation must be at 100% value and must be established as of the first day of the year. That is to say, that the value of each property must be ascertained as of the first day of the year in its existing condition, not allowing any judgment of value to be influenced by what might happen to the property after the first day of the year inasmuch as any improvements, etc., thereon that would happen after the first day of the year would be taken into consideration on the next appraisal and taxing cycle. It is with this understanding of the law and the interpretation of same that I have appealed these particular properties.

The properties have been arranged by myself in the order of ownership and in the order that I would like to present the appeals. The first properties are those that are owned by C. L. Reeves.

Again, let me emphasize how I regret having to bring these problems to the attention of the Council and I do wish I could have handled them in another way. I know this is a long and involved process, but I assure you I have tried every way I can to make this as brief as possible and still convey enough information in order to get fair treatment. I would appreciate being asked about the process of short-form subdividing some of these properties and the horrendous expense and time involved and a possible solution to a dilemma caused by Attorney General John Hill's opinion whereby re-subdividing could not be accomplished unless everyone in the subdivision agreed to it. The City could give some relief in this area if they so chose and I would appreciate discussing this matter with you. I will be available at the meeting to discuss any questions.

Mr. Reeves stated that in the appeals today he had eliminated all but 16 of the properties. He then introduced Mr. S. R. Sheppard, a Real Estate Broker, who had lived in Austin since 1945. Mr. Sheppard stated that he had examined the cases under consideration and was familiar with them in considerable detail.

Mr. Reeves first discussed Case No. 2-3114-0809. The property was located in the St. Johns Addition and was in a deteriorating neighborhood. It was his opinion that the value of the land was affected by its improvements. He and his appraiser thought that the improvements on the property were worth \$42,500 and the land \$15,000. They both felt that the 1979 appraisals, which were not appealed, were too high at that time.

TAX APPEALS - (Continued)

Mr. Klitgaard described the property and stated that the increases in valuation were not unrealistic over a two-year period. The citywide increase had averaged between 35% to 40%, and the increase on the subject property was 37%.

Discussion followed between Mr. Klitgaard and Mr. Reeves over the description of the property and its effect on valuation.

Motion

The Council, on Councilman Mullen's motion, Mayor McClellan's second, decreased the valuation on improvements to the property to \$53,916 for a total valuation of \$77,836. (4-0 Vote, Councilmen Cooke and Snell and Councilwoman Himmelblau absent)

Mr. Reeves next discussed Case No. 2-4901-0130 and 2-5002-0102 since they were really one piece of land contiguous with one another and comprising 6.97 acres and located on the Old Jollyville Road just east of the intersection of Loop 360. The property was annexed in 1973 over the protest of the owner and later was zoned for apartments on the larger tract and local retail on the smaller tract. There was no sewer line to the property. Mr. Reeves presented tax statements on three pieces of property totalling 11 acres and located three blocks from his property. The property had all utilities, was zoned for apartments and was valued at \$60,860, which was a little over 12¢ per square foot. Based on that figure, Mr. Reeves felt that his property should be valued at \$38,558. Mr. Sheppard stated that he thought that the property was worth \$40,000, based on the non-availability of sewer.

Mr. Klitgaard called on Mr. Weldon Nabors, who quoted sales prices on some properties in the area, all of which were higher than the 75¢/square foot value placed on Mr. Reeves' property by the Tax Department.

Mr. Reeves disputed the information presented by Mr. Nabors. After further discussion, the Council delayed action on the two cases until November 20, 1980.

Motion

The Council, on Councilman Mullen's motion, Mayor Pro Tem Trevino's second, moved that all properties not appealed by Mr. Reeves today would be considered as no appeal. (4-0 Vote, Councilmen Cooke and Snell absent, Mayor McClellan out of the room at Roll Call)

TAX APPEALS - (Continued)

Mr. Reeves next discussed Case No. 3-04-7-0806, located at 2209 East Riverside Drive. He stated that on January 1, 1980, the property was no more than a part of the parking lot adjacent to the H.E.B. Food Store property and that over one-half of the property could be used for nothing but a parking lot as a result of a common area reciprocal operating and management agreement that had a 50-year effect on the value of the property. In speaking to the City tax appraisers he had learned that they used a figure of \$1.50 per square foot as the value of the property inasmuch as they were told that H.E.B. had paid \$1.50 per square foot for the land their store was on next door. Since the property was not sold on January 1, 1980, was not built upon and had been for sale for 10 years at \$1.50 per square foot with no takers, Mr. Reeves felt that no increase in value was warranted. It was his opinion that the property should be valued at \$150,000. Mr. Sheppard thought that the property was worth \$155,000.

Mr. Klitgaard quoted sales figures for the area and stated that the \$2.00 per square foot valuation placed on the property was treated the same as adjoining property that had the same value influences. He did not feel that Mr. Reeves' property should be treated any differently.

Motion

The Council, on Councilman Mullen's motion, Councilwoman Himmelblau's second, upheld the Tax Department in their valuation of \$191,386. (4-0 Vote, Councilmen Cooke and Snell absent, Mayor McClellan abstaining)

Mr. Reeves next discussed Case No. 3-0407-0809, located on Burton Drive. The property was a narrow strip of land overlooking the rear of the H.E.B. Food Store and had a grade separation from front to back of over 30 feet. The lot was shallow, rough and difficult to build upon. There was no sewer to the property and would have to be short-form subdivided to use the property properly. Mr. Reeves felt that the value of the tract should not exceed \$35,000. Mr. Sheppard felt that the property was worth only \$30,000 because of the terrain.

Mr. Weldon Nabors of the Tax Department agreed that the situation was basically as Mr. Reeves stated. He believed that the value placed on the property by the Tax Department was too high.

Motion

The Council, on Councilman Mullen's motion, Mayor Pro Tem Trevino's second, placed the valuation on the property at \$35,000. (5-0 Vote, Councilmen Cooke and Snell absent)

TAX APPEALS - (Continued)

Mr. Reeves next discussed Case No. 3-0407-0811, located on East Riverside Drive. The tract contained 5.42 acres, about 60,000 feet of which abutted Riverside Drive and was paved as part of the parking lot for the H.E.B. Food Store. He thought that portion of the property might be worth \$1.50 per square foot, but that the balance of the property, consisting of about 146,000 square feet was worth far less. To short-form subdivide the larger portion of the tract would cost about \$70,000 to meet City requirements. It was his opinion that the property was worth no more than \$171,000 as of January 1, 1980. Mr. Sheppard thought that the property was worth \$175,000.

Mr. Klitgaard stated that the entire tract had a valuation of \$1.50 per square foot. He recommended keeping the valuation on the parking lot area at \$1.50 and \$1.25 per square foot on the 3.255-acre portion which was zoned "LR" Local Retail since the property across the street.

Mr. Reeves felt that the "LR" tract valuation should be lower because it did not have sewer.

Motion

The Council, on Councilman Mullen's motion, Mayor Pro Tem Trevino's second, placed the valuation on the 3.255-acre portion at \$1.00 per square foot for a total valuation of \$141,872 and \$1.50 per square foot on the upper portion (Parking lot area). (4-0 Vote, Councilmen Cooke and Snell absent, Councilman Goodman out of the room at Roll Call)

Mr. Reeves next discussed Case No. 3-0506-0369, located on Burton Drive. He stated that the property had been for sale for over 10 years and he had not had one offer. He had sold property across the street in both tracts for less than 70¢ per square foot. It was his opinion that the property was worth no more than \$40,545 and did not justify a 25% increase in value. Mr. Sheppard thought that the property was worth \$41,000.

Mr. Klitgaard stated that the Tax Department called Mr. Reeves' office to ask what the property was for sale for and was told \$2.35 per square foot.

Motion

The Council, on Councilman Mullen's motion, Councilman Goodman's second, reduced the valuation on the property by 10% for a total valuation of \$45,613. (By unanimous consent, Councilmen Cooke and Snell absent, Mayor Pro Tem Trevino out of the room at Roll Call)

TAX APPEALS - (Continued)

The Council next considered Case No. 3-0506-0371, located on Burton Drive.

Motion

The Council, on Councilman Mullen's motion, Councilman Goodman's second, reduced the valuation on the property by 10% for a total valuation of \$108,902. (By unanimous consent, Councilmen Cooke and Snell absent, Mayor Pro Tem Trevino out of the room at Roll Call)

Mr. Reeves next discussed Case No. 3-0705-0812, located at 1925 East Oltorf Street. He stated that it was an irregularly shaped piece of property with a portion of it having no useable surface that fronts on any street; the land fell off to a drainage basin behind the Whataburger Hamburger Stand and adjacent to dumpsters. If it was used for the same purpose as the property across the street, which was more likely than any other use, then it was Mr. Reeves' opinion that the property as of January 1, 1980 could not be worth more than \$42,000 and certainly not the 300% increase as suggested by the Tax Department. He questioned the use of vendor's liens as a means of determining the value of a piece of property. Mr. Sheppard thought that the property was worth \$40,000.

Mr. Klitgaard defended the use of vendor's liens to determine value of property. He referred to sales in the area, each of which exceeded the \$2.00 per square foot valuation placed on the property by the Tax Department. The Tax Department had called Mr. Reeves' office to ask what the selling price was and was quoted \$3.14 per square foot. He believed that the property was worth at least \$2.00 per square foot.

Mr. Reeves denied that the \$3.14 per square foot was obtained from his office. He questioned the values of the comparables quoted by Mr. Klitgaard and stated that he had sold all of the pieces of property. He did not believe that the properties quoted as comparables were actually comparables.

Motion

The Council, on Councilman Goodman's motion, Councilman Mullen's second, reduced the valuation on the property by 10% for a total valuation of \$77,911. (4-0 Vote, Councilmen Cooke and Snell absent, Mayor Pro Tem Trevino out of the room at Roll Call)

TAX APPEALS RESCHEDULED

The Council rescheduled the following tax appeals for 12:30 p.m., on November 20, 1980:

TAX APPEALS - (Continued)

Case No. 2-2203-0611
 Case No. 3-1702-0710
 Case No. 3-0705-0317
 Case No. 3-0705-0810
 Case No. 3-0804-1301
 Case No. 3-0804-1501
 Case No. 3-0804-1518

Councilman Mullen suggested that Mr. Sheppard give his opinions of valuations now on the preceding cases so that he would not have to return. Mr. Sheppard presented his valuations as follows:

Case No. 2-2203-0611 4310 Bellvue Avenue Lt 11 Less SW 15 x 26 ft Bl 6 Alta Vista	Land Imps. Total	\$ 6,000 12,000 <u>\$18,000</u>
Case No. 3-1702-0710 S Pleasant Valley Road .672 Acre Santiago Del Valle Grant	Land Imps. Total	\$ 2,500 -0- <u>\$ 2,500</u>
Case No. 3-0705-0317 1900 East Oltorf Street Lt 2-A Resub of Lts 2-A of the Resub of Lts 1-2 Parker Heights Sec 2-A	Land Imps. Total	\$65,000 -0- <u>\$65,000</u>
Case No. 3-0705-0810 1945 East Oltorf Street Lt 27 Less E 76 ft av Parker Heights Sec 4	Land Imps. Total	\$ 7,500 -0- <u>\$ 7,500</u>
Case No. 3-0804-1301 Burleson Road Tract A Resub of Parker Heights Sec 1A	Land Imps. Total	\$44,000 -0- <u>\$44,000</u>
Case No. 3-0804-1501 2427 Burleson Court Lot 1 Parker Heights Sec 4	Land Imps. Total	\$16,000 -0- <u>\$16,000</u>
Case No. 3-0804-1518 2420 Burleson Court Lot 25 Parker Heights Sec 4	Land Imps. Total	\$ 7,500 -0- <u>\$ 7,500</u>

ADJOURNMENT

The Council adjourned at 12:35 p.m.